



2015 QSL AGM – Chairman’s Address

Presented by Guy Cowan, QSL Chairman

I had a dream the other night.

I dreamed that I was in 2025 at the inauguration of a new mill and sugar terminal complex in Queensland.

Jonathan Thurston, Prime Minister, proudly announced that with Australia now producing 10 million tonnes a year it was recognised once again as a true world leader in sugar technology and growth.

“We can all be proud of this moment and we must thank the visionary leaders who in 2015 cast aside their differences and reached the long-term agreements which created the stability and confidence that laid the foundations for long-term investment in the industry, with QSL playing a pivotal role.

“And thanks to the prosperity of the sugar industry we have been able to build our 100,000-seat stadium in which the North Queensland Cowboys have won 8 of the last 10 NRL finals.”

Well, I have had my ‘Back to the Future’ moment two days after Martie McFly landed in 2015, but as I wrote this I thought, we really do have our future in our hands and there is a way forward for us all to grow and prosper.

Now to the present.

Welcome members, ladies and gentlemen to the Queensland Sugar AGM.

The 2014/2015 financial year was another challenging one for the Queensland sugar industry as we faced a 5th year of global surplus and falling raw sugar prices.

It is in such circumstances that the work QSL undertakes for our members gains added importance, and so I’m pleased to advise that during the 2014 Season we again surpassed average market returns, outperforming the Passive Management Benchmark by a weighted average of \$40.23 per nett IPS tonne.

While QSL’s marketing, pricing and finance teams often take the lion’s share of credit for such results, it should be noted that the cornerstone of such performance continues to be our safe and efficient operation of Queensland’s bulk sugar terminals, which all users leverage for both individual and collective gain.

During the past year the QSL operations team notched up an outstanding 100% Delivered In-full On-Time result with zero lost-time injuries – a world-class performance and a formidable achievement in any operational environment, let alone one so highly exposed to the vagaries of weather and international shipping fluctuations.

These results are a testament to the hard work and expertise of the QSL employees in Cairns, Mourilyan, Lucinda, Townsville, Mackay and Bundaberg, with the commitment and performance of our regional teams also mirrored by those in our Brisbane office.



As the QSL motto states, these people really are working for you, so I'd like to take this opportunity to publicly acknowledge and thank the entire QSL staff for their efforts during the past year.

Queensland's bulk sugar terminals and the way in which they are managed via QSL's logistics systems are a much-envied and invaluable asset for our industry.

It is imperative that this significant advantage for all Queensland sugar producers is not lost amidst the current changing industry landscape.

To this end and as part of our commitment to the long-term prosperity of our State's sugar industry, QSL is currently working with STL to secure a long-term strategic operating agreement for Queensland's bulk sugar terminals.

We firmly believe that our proposal not only provides a compelling proposition for STL shareholders, but also delivers the stability so essential for the investor confidence that underpins the sugar industry's continuing viability.

As you are all well aware, despite a Senate Inquiry, Federal Taskforce and now the Private Member's Bill before the State Parliament, the sugar marketing impasse remains unresolved and the path forward unclear.

While QSL welcomes all efforts to secure a resolution to this prolonged and damaging episode, we strongly believe that an enduring commercial solution that is agreeable to all parties is the most expeditious path forward.

Time is of the essence, and so we urge all stakeholders to work together to resolve this stalemate as quickly as possible, as the repercussions of this continuing limbo are beneficial to no-one but our industry's competitors.

Amidst this turmoil QSL has sought provide the day-to-day services on which our industry is reliant while also keeping our eyes set on the horizon for the hurdles and opportunities ahead.

We have been integral to the success of the Queensland sugar industry for nearly a century, and we intend to continue to be its most valued asset and greatest advocate well into the future.

While our industry continues to work through the marketing issue, within our own business we are keen to provide our grower and miller members with a stronger voice.

To this end, we have been working with our Members to bring industry directors onto the QSL board. This initiative is one that my fellow Directors and I are supportive of and we look forward to making an announcement on this matter shortly.

So with that I'd like to thank you sincerely for your support during the past year and for taking the time during the busy harvest period to join us here today.

I'd also like to thank my fellow Directors for their hard work, commitment and support, both during the past year and for the continuing job ahead.

I am now going to make myself unpopular, but I will be supporting Argentina in the Rugby World Cup this weekend.

My father, who was an Argentine of British descent, captained Argentina against France in 1954 and I was born there and learned my Rugby there. If Australia win, which I doubt, they will have my full support for the finals.

Viva los Pumas!